

WHERE TOBACCO PROFITS WERE MADE

Manufacturers Got It All Last Year With High Cigarettes and Low Price For Weed

"During the year 1920-21, manufacturers of cigarettes are making the greatest profits in the history of the industry."

The Wall Street Journal, probably the most authoritative financial journal in the country, makes this statement on the basis of figures compiled by experts, and by the manufacturers themselves. Such a pronouncement should be of great interest to the tobacco growers, since the prices paid to the farmers of Kentucky during this period, were much lower than the prices during several previous years. In fact, this decrease in the price paid to the farmer is offered as one of the principal reasons for the enormous profits made by the manufacturers.

In 1920, Kentucky produced 467,500,000 pounds of tobacco. According to Wall Street figures the average price for the 1920 crop was 23.2 cents less than the price of the 1919 crop. This reduced price meant increased profits of more than \$107,000,000 to the manufacturers. A certain part of this decline is held by some persons to be due to the 1920 crop being of inferior quality. Expert tobacco men at Lexington and the Blue Grass say, however, that the 1920 crop was very useful one for smoking tobacco brands.

But granting that the 1920 crop of tobacco was not of the most valuable quality, this factor would be counteracted by the lower labor costs in manufacturing, as the cost of living declined.

"It was estimated last year that 70 per cent of productions costs went for leaf. With prices for leaf cut in half compared with those for the 1919 crop, the enormous saving to the cigarette manufacturer is obvious."

Add to these considerations the fact that the price of cigarettes in which Burley tobacco is used has not been reduced, and it becomes apparent that the greater part of the money represented by the reduced price paid growers for tobacco must have gone to the manufacturers as profits. To swell these figures still further, a great increase in the use of cigarettes is indicated by figures for the first four months of the year.

"A production of 49,000,000,000 cigarettes (estimated total 1921), would mean an increase in profits (to the manufacturer) of \$24,500,000," says the Wall Street Journal. "As a result of lower leaf prices, cigarette manufacturers are making unprecedented profits. It is officially estimated that one of the big manufacturers purchased its 1920 supply of tobacco at something like \$20,000,000 less than it cost in 1919." "The increased demand for cigarettes makes unlikely a reduction in cigarette prices for the time being."

These statements are not made by the Wall Street Journal nor quoted by this newspaper to prove that the manufacturers are treating either the grower or the public unfairly. Plainly, the manufacturers are only following principles found to be sound in any business. They buy the raw product at the lowest price that insure a continued supply, and sell the finished product at the highest price that will insure a continued demand.

But something evidently is wrong when the producer loses, or at least does not make money, when the public demand is greater and when the manufacturer profits unparalleled in history.

What is wrong then, and what is the remedy?

The chief offender, we believe is the present system of marketing tobacco. The remedy is the system of co-operative marketing of tobacco which is being put before the Kentucky growers at this time.

Under the present system, all the Kentucky tobacco crop is dumped on the market usually in a period of less than three months. Since the money needed to move the tobacco crop from the producer to the factory runs into hundreds of millions of dollars, it is evident that such sudden demand cannot readily be met by even the largest companies. Banks are slow to lend money

excepting on the best security. The manufacturer must pay high interest rates to get the use of such enormous sums for this period. Doubtless it is in part to absorb this high rate of interest that the price of tobacco leaf cut when ever the manufacturers think it possible to do so.

This dumping process, which is highly expensive both to the grower and to buyer, would be avoided if the proposed co-operative marketing association is adopted in the burley-producing territory. The selling season would be extended over a greater part of the year. The manufacturers could buy and pay for the tobacco gradually, as their financial condition justified. It would be easy for them to stabilize their credit.

As a result, the manufacturers would not be forced to borrow high rates of interest, not to cut the price tobacco to absorb this. At the same time, the growers, through the directors of the association would be in a position to deal directly with the manufacturers, without the medium of a large and costly corps of buyers hired at the expense of the manufacturers, and passed on by them to the growers.

These two factors would combine to enable the manufacturer to operate on a smaller margin of gross profit, with the same amount of net profit. By elimination of wasteful methods, and the substitution of scientific grading, both grower and manufacturer would profit, without increasing the price of manufactured tobacco to the consumer.

These are the logical conclusions of the situation pointed out by the Wall Street Journal. Numerous other reasons could be advanced showing the necessity for the Co-operative Tobacco Marketing Association. The plan is sound economically, and it is sound financially. Co-operative marketing of burley tobacco will mean millions of dollars in the pockets of tobacco growers each year. Every grower should sign the contract.

WACO DEPOSIT BANK RE-ELECTS ITS OFFICERS

The Waco Deposit Bank had its annual election of officers Saturday. Mr. C. L. Searey was re-elected president of that institution, the office which he has held for 15 consecutive years. He has rendered such good work in his long service as president of the bank that the directors feel it their duty to elect him again. Mr. W. Q. Covington was elected vice president and Mr. J. C. Ruck, cashier. The directors elected for the coming bank year are: Dr. Vardy Taylor, R. F. Bush, H. B. Duncan, George Grier, and G. B. Moore. The bank has had a very prosperous business in the past half-year, declaring a much larger semi-annual dividend than in the previous half-year. Business is said to be improving rapidly in that section.

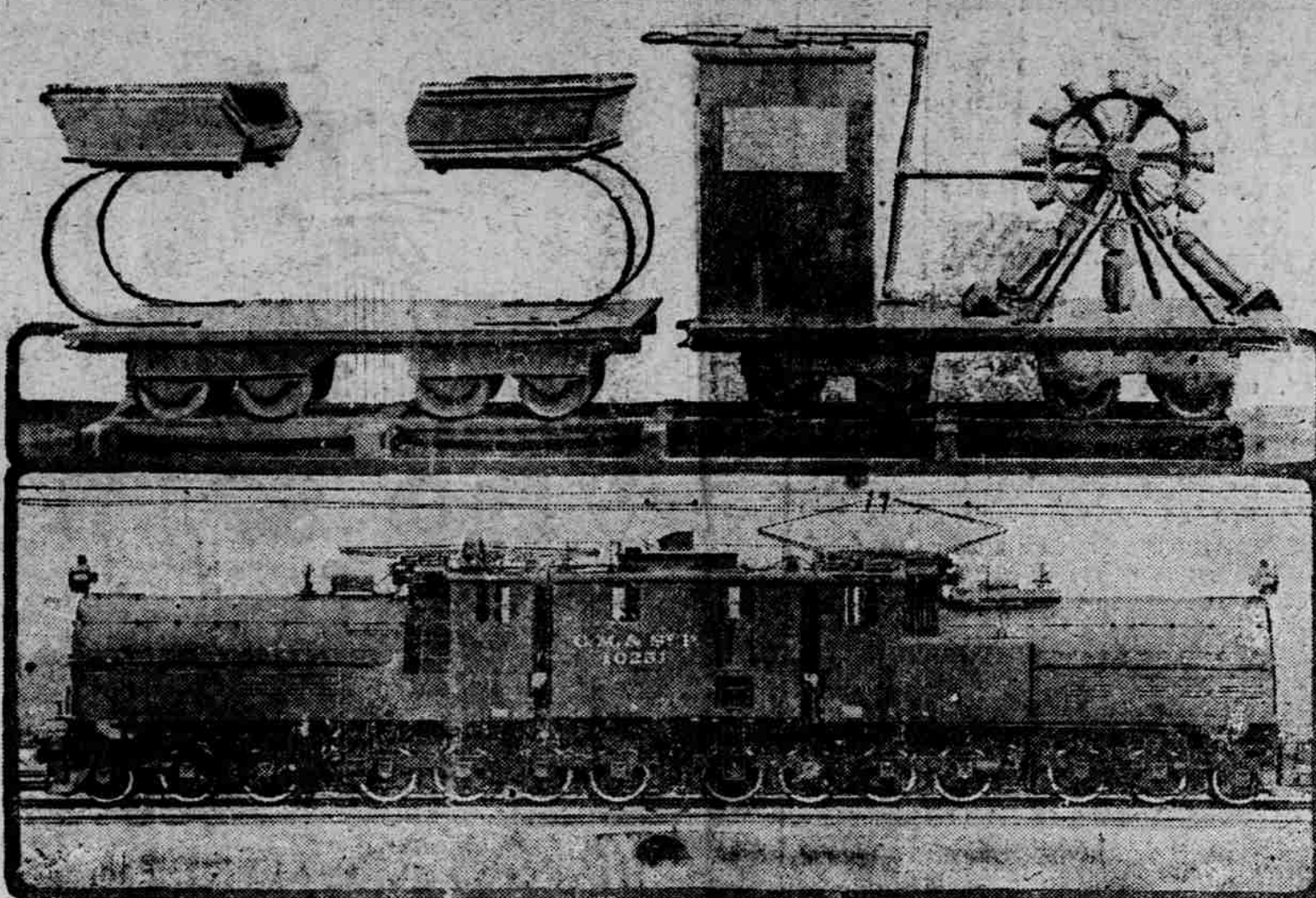
Spain's Cabinet Quits
Madrid, July 5—The Spanish cabinet resigned today.

Were These Meant for Ireland?



Weapons and ammunition valued at \$135,000, were seized by the police on the Hoboken pier. It is said that the shipment was consigned to Ireland. According to customs officials, the arms had been stored in the hold of a vessel, but had been removed and placed on trucks on the pier. Frank Williams of Hoboken, claims that the arms were stolen from him.

World's First Electric Locomotive Was American



Conflicting international claims for the honor of the invention of the world's first electric locomotive seem to have been settled by the discovery of an American machine operated in 1847 and antedating certain German claims by 30 years. The first electric car, shown above, was made by Moses G. Farmer of Vermont. Contrast this little ten-foot contraption with the powerful 265-ton, 3,000-volt modern engine of today, shown below.

JACKSON CO. MAN KILLED BY OFFICER

London, Ky., July 5—William Powell, of Jackson county, who was shot last Saturday by town marshal Lev Philpot, Jr., of Livingston, died at the Pennington Hospital here Monday. In a dying statement Powell is said to have told his attendant that he had brought his daughter to Livingston for treatment by a Livingston doctor. He said he was leaving with a bottle of medicine in his pocket when Philpot charged him with having whisky and ordered him to put up his hands. Powell protested, he asserted, that he had no whisky. Philpot, he said, shot him and took from his pocket the bottle filled with medicine. Powell was about 48 years old and had a family. Philpot furnished bond for \$1,000 and was released.

Breathitt Man Is Killed With His Own Pistol

Jackson, Ky., July 5—Nathan Combs was shot and killed with his own pistol here yesterday by Arlie Maloney, according to authorities after Combs had first shot Maloney through the breast. Maloney was in a serious condition when put on the train and started for a hospital in Lexington.

Authorities are not certain as to the cause of the shooting, although politics generally is believed to have started the trouble. Immediately after the shooting, armed men appeared on the streets, but there was no further trouble. Insofar as known there was no previous trouble between the men nor their relatives.

4th Fatalities

(By Associated Press)
Chicago, July 5—Thirty-four drownings reported thru the country led the list. Fourth of July fatalities, eleven deaths from automobile accidents, fireworks and gunshots are reported. A number of suicides and heat prostrations are also reported.

TWO FINE PROGRAMS ENJOYED MONDAY

At Chautauqua Tuesday
Afternoon—Prelude (to be announced).
Lecture—Crime, Its Cause, Practice and Prevention—Harry J. Loose.
Tonight—"As You Like It"—Ben Greet Players in Shakespeare's great comedy.

The Harry Yeazelle Mercer Company held the afternoon and evening audiences spell-bound at the Chautauqua Monday. The two big Fourth of July audiences were well pleased with the program rendered to them by this wonderful company. Mr. Mercer is one of America's greatest tenors and his singing proved this fact to the people of Richmond. Harold Ayres also is one of the greatest musicians playing on the violin. He entertained the two large audiences with his utmost skill.

The closing numbers of the evening were given by Katherine Ridgeway. She read several poems and gave two splendid stories. Her superior talent along this line was recognized by the enthusiastic evening audience. After completing her program she made an appeal to the women voters of the community to exert all their influence to keep out of another war and also to keep the worthless aliens from this country. She advised them to join a woman's club and act in a body. She also begged them not to stand for a great armament while a great many schools have closed for lack of money. Last of all she begged the women to let her give them a name of a wounded soldier boy, lying in a hospital, that they might write to him and cheer him up a bit.

Man Shot By Deputy Sheriff Is Believed Fatally Wounded

London, Ky., July 5—Ben Medley, who was shot at East Bernstadt, this county, Sunday by Deputy Sheriff Harvey Hedrick is believed to be fatally wounded. It is alleged that Medley was drunk and was abusing his family when Hedrick tried to arrest him. Medley, it is said, resisted and was shot through the left lung. Hedrick is here today but has not been required to file any bond.

Bourbon tobacco growers by an almost unanimous vote endorsed the co-operative marketing plan for tobacco.

MANY PERISH IN OIL STILL EXPLOSION

(By Associated Press)
Chicago, July 5—Eight men dead, 36 hurt, ten of whom may die, as a result of yesterday's explosion in the Standard Oil refinery at Whiting, Indiana. The property loss is estimated at two million dollars. Two hundred steel stills burst burning oil and gas, trapping night workers within a radius of 200 yards. Five men were killed outright and three died in a Chicago hospital. The exact cause is not determined.

THOSE REFORMERS MUST HAVE A VICTIM

(By Associated Press)
Jersey City, N. J., July 5—Officials of the International Reform League plan to arrest some one connected with the Dempsey-Carpenter fight, and make a test case before the end of the week. Dr. Wilbur F. Crafts, superintendent of the League, announced after a conference of League officials today. They claim the state laws were violated by Governor Edwards, other state officials and the 90,000 spectators. The Bureau already has demanded the arrest of Dempsey on a charge of assault and battery on Georges Carpenter. Crafts says he will seek impeachment of the Governor.

Louisville Democrats To Run Overton Harris

(By Associated Press)
Louisville, Ky., July 5—W. Overton Harris, a former lieutenant in the United States Navy, will be the Democratic nominee for Mayor, the city and county committee announces today.

Harding Returns To Capital

(By Associated Press)
Raritan, N. J., July 5—President and Mrs. Harding left here today for Washington. They have been spending a brief vacation at the home of Senator Frelinghuysen. They travelled in a parlor car on the regular train.

Call On National Banks

(By Associated Press)
Washington, July 5—The Controller of Currency issued a call for the condition of national banks at close of business June 30th.

Today's Produce Prices

Quoted and paid by the Remaker Poultry Company.
Eggs.....20 cents doz.
Hens.....17 cents lb.
Large Springers.....30 cents lb.
Small Springers.....20 cents lb.
Ducks.....6c lb.
Roosters.....14c lb.
Geese.....8c lb.
Turkeys.....15c lb.
Hams.....25c lb.
Beef Hides.....3c lb.
Horse Hides, No. 1.....\$2 each.

Weather For Kentucky
Generally fair; tonight and Wednesday continued warmer.

Today's Livestock Markets

Cincinnati, July 5—Cattle strong, 25 cents higher; hogs steady, Chicago strong; lambs \$1 higher; tops Jersey \$13.
Louisville, July 5—Cattle 800; slow, tops \$7; hogs 800; 15c higher; tops \$9.15; sheep 1,300; higher, \$3.50; lambs \$11.50.

SOLDIERS GUARD ELLIOTT COURT

Troops Keep Things Quiet
(By Associated Press)
Sandy Hook, Ky., July 5—Wes Sparks, Jr., was indicted today by the Elliott county grand jury, charged with the murder of Mary Sparks during a fight with her brother. The presence of state troops here is having a good effect. No attempts were made to harm court officials.

Sandy Hook, Ky., July 5—Under guard of a company of Kentucky national guardsmen, the Elliott county circuit court opened here with nearly 500 cases on the docket, consisting largely of charges of liquor violation. Quiet prevailed throughout the day.

The state guardsmen were sent here yesterday on orders from Governor Edwin P. Morrow issued on Saturday at the request of Circuit Judge Cisco, who stated that jurors were afraid to serve on mountain cases and that witnesses were fleeing the state, and that one man at least had been murdered because of his giving information about a still.

BALL PLAYERS LOSE FIRST MOVE IN COURT

(By Associated Press)
Chicago, July 5—Judge Hugo Friend today overruled a motion to quash the general conspiracy indictment against 18 former baseball players and alleged gamblers in connection with the 1919 world's series scandal. The defense moved that the state be required to elect which of 12 counts it would go to trial on. Attorneys for the ball players argued that the prosecution couldn't try twelve conspiracy charges at once. The motion was overruled and the defense asked for a bill of particulars.

DARGAVEL FOR CITY COUNCILMAN

H. L. Dargavel, a well known member of the opera house staff, today authorized announcement of his candidacy for the Democratic nomination for city council. Mr. Dargavel was connected with the fire department and has held other official positions, and feels that his services before qualify him for promotion to the city council. He has many friends all over the city.

Taylor Was A Millionaire

(By Associated Press)
Louisville, Ky., July 5—The will of Marion E. Taylor, distiller, probated here, disposes of an estate valued at \$1,523,000.

Stamp Jury Accepted

Louisville, Ky., July 5—The state at noon accepted a jury to try Walter Stamp, charged with the murder of W. Smith Russell. The defense attempted unsuccessfully to get a continuance, Attorney Clem W. Huggins pleading illness.

Here's The Best Beer You Can Get

We are now handling the famous Hudestohl's Golden Jubilee, of Cincinnati. Let us send a case to your home and you'll find it the real thing. Phone 206. L. & N. Restaurant. 6-3 Palace.

\$83 REALIZED FOR LOCAL RED CROSS

Fourth of July Hot, But Big Crowd Hears Patriotic Speeches and Sees Ball Game

The birth of the American nation was celebrated here Monday by music, speaking and baseball. The American Legion Band furnished the music for the occasion. It played several popular numbers to a very large crowd that had assembled on the court house lawn. The selections were enjoyed by all.

The addresses were delivered by Attorney General Charles I. Dawson, of Frankfort, and Hon. George Wycoff, of Winchester. Mr. Dawson spoke first. He told of the progress made by America and of the fathers and founders of the United States. He told of the dangers that confronted the country at the present time and what the incoming aliens that are causing so much thought among the heirs of our country, would do.

After the band had played another of its numbers, the audience was addressed by Mr. Wycoff, of Winchester. He brought a patriotic message to the citizens of the county in similar vein to that of the speaker preceding him. He praised the American Legion and also told of the dangers of the incoming aliens who are now pouring into the country. This is indeed an important question as one hardly ever hears a speech in this day that does not have in it something of this most important question.

Col. R. C. Oldham presided and introduced the speakers. He was mainly instrumental in promoting this Fourth of July celebration, for the purpose of raising funds for the local Red Cross office and the Red Cross officials were gratified to receive the receipts of the ball game, which amounted to about \$83. The day was fearfully hot but a big crowd heard the speakers and went to the ball game.

17 POISONED BY PICNIC SANDWICHES

(By Associated Press)
Ludlow, Ky., July 5—Seventeen persons, who contracted ptomaine poisoning yesterday from food eaten at a picnic near Burlington Boone county, today.

Eating sandwiches prepared the night before resulted in the poisoning at a gathering of the Ludlow Lodge of Masons near Burlington Boone county. The sandwiches were made at the home of Charles White, former Mayor of Ludlow, Sunday evening in preparation for the picnic. Exposure to heat after being allowed to stand over night is thought by the physicians to have spoiled the ham.

Among those poisoned were Mr. and Mrs. White and their two children, Mr. and Mrs. Wm. Landers, Hal Lighthouse, Clarence Pitcher, Mrs. Josephine Hoffhaus and Miss Nellie Wolking, all of Ludlow; Miss Freda Fox, Price Hill, and Julius Critch, West Covington.
Dr. L. E. Hatter and C. R. Slater, both of Ludlow, who were on the grounds, said after treating the suffering, that it was not probable that any of the cases would be fatal.

Two Warships To Protect Americans At Tampico

(By Associated Press)
Washington, July 5—The cruiser Cleveland and gunboat Sacramento have been ordered to Tampico, Mexico, to protect American interests in the event they are jeopardized by labor troubles growing out of the unemployment situation, the Navy Department announced. The Sacramento reaches Tampico today. The Cleveland probably will arrive Thursday.

Belgium's King And Queen Make Visit To England

(By Associated Press)
London, July 4—King Albert and Queen Elizabeth, of Belgium, arrived here today for their first visit to England. They were met at Dover by the Prince of Wales and escorted to Buckingham Palace.